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**FISCAL IMPACT STATEMENT**

**LS 6564**

**BILL NUMBER:** HB 1063

**NOTE PREPARED:** Jan 17, 2014

**BILL AMENDED:** Jan 16, 2014

**SUBJECT:** Charter School Compacts.

**FIRST AUTHOR:** Rep. Huston

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that a charter school and a school corporation may enter into a compact under which the: (1) school corporation or charter school agrees to provide goods, facilities, services, or other consideration to the other party to the compact; and (2) charter school authorizes the school corporation to include the charter school's performance assessment results when calculating the school corporation's performance assessment.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** Under this bill, the Department of Education would have to include the charter school's academic performance results when computing the school corporation's performance assessment. The cost of fulfilling this requirement is expected to be minimal.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Assuming that the school corporation and the charter school would enter into an agreement that is beneficial to both, the fiscal impact, though unknown, is expected to be positive. There would probably be the potential for savings in purchasing, use of facilities and personnel, and course offerings.

(Revised) **Additional Information:** Under the bill, the two parties may enter into other agreements that do not necessarily involve academic performance data. These agreements may include use of facilities, services, and other areas of mutually agreed interest. One such agreement took place between Indianapolis Public Schools and Enlace Academy, a charter school which opened in August 2013. IPS agreed to lease to Enlace

a section of one of its schools which was underutilized, thereby enabling the charter school to begin operating while its building was being renovated.

Under the bill, a compact between a charter school and a school corporation may not change the rights, duties, or responsibilities of an existing employment contract, or a collective bargaining agreement between a school employee and a school corporation or a charter school. An employee of a school corporation who provides services to a charter school remains the employee of the school corporation.

**Explanation of Local Revenues:** Revenues to the school corporation may increase if it leases building space to a charter school.

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Charter schools; School corporations.

**Information Sources:**

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